



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2017
OF THE CONDITION AND AFFAIRS OF THE
Meridian Health Plan of Michigan, Inc.

NAIC Group Code	4640 (Current Period)	4640 (Prior Period)	NAIC Company Code	52563	Employer's ID Number	38-3253977
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	MI		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	12/31/1995		Commenced Business	12/31/1995		
Statutory Home Office	1 Campus Martius, Suite 700 (Street and Number)		Detroit, MI, US 48226 (City or Town, State, Country and Zip Code)			
Main Administrative Office			1 Campus Martius, Suite 700 (Street and Number)			
	Detroit, MI, US 48226 (City or Town, State, Country and Zip Code)				(313)324-3700 (Area Code) (Telephone Number)	
Mail Address	1 Campus Martius, Suite 700 (Street and Number or P.O. Box)		Detroit, MI, US 48226 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records			1 Campus Martius, Suite 700 (Street and Number)			
	Detroit, MI, US 48226 (City or Town, State, Country and Zip Code)				(313)324-3700 (Area Code) (Telephone Number)	
Internet Website Address	www.mhplan.com					
Statutory Statement Contact	Matthew Agnone (Name)		(313)324-3700 (Area Code)(Telephone Number)(Extension)			
	matthew.agnone@mhplan.com (E-Mail Address)		(313)324-1822 (Fax Number)			

OFFICERS

Name	Title
Jon B. Cotton	President
Sean P. Cotton	Secretary
Janice Torosian	Treasurer

OTHERS

DIRECTORS OR TRUSTEES

George Ellis
David B. Cotton M.D.

Karie Pasternak

State of Michigan
County of Wayne ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Jon B. Cotton (Printed Name) 1. President (Title)	(Signature) Sean P. Cotton (Printed Name) 2. Secretary (Title)	(Signature) Janice Torosian (Printed Name) 3. Treasurer (Title)
Subscribed and sworn to before me this day of , 2018	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[]
(Notary Public Signature)		

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	108,660,184		108,660,184	99,861,219
2.	Stocks (Schedule D):				
2.1	Preferred stocks				
2.2	Common Stocks	17,221,836		17,221,836	11,478,133
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....153,505,559, Schedule E Part 1), cash equivalents (\$.....2,076,605, Schedule E Part 2) and short-term investments (\$.....71,295,068, Schedule DA)	226,877,232		226,877,232	308,833,871
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)	1,306,535	1,203,612	102,923	198,739
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	354,065,787	1,203,612	352,862,175	420,371,962
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	1,759,323	49,147	1,710,176	1,547,151
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	38,521,612		38,521,612	64,343,426
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums (\$.....7,685,737) and contracts subject to redetermination (\$.....0)	7,685,737		7,685,737	5,915,053
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	3,264,841		3,264,841	4,122,280
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans	7,948,523		7,948,523	9,199,145
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	1,026,286		1,026,286	944,677
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets (\$.....0)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				
24.	Health care (\$.....38,761,168) and other amounts receivable	40,009,344	1,248,176	38,761,168	30,920,306
25.	Aggregate write-ins for other than invested assets	3,027	3,027		
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	454,284,480	2,503,962	451,780,518	537,364,000
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	454,284,480	2,503,962	451,780,518	537,364,000
DETAILS OF WRITE-INS					
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Deposits	3,027	3,027		
2502.	.....			
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,027	3,027		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	229,844,348		229,844,348	308,286,975
2.	Accrued medical incentive pool and bonus amounts	3,596,656		3,596,656	2,949,393
3.	Unpaid claims adjustment expenses				
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	8,400,000		8,400,000	6,436,936
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	551,197		551,197	358,333
9.	General expenses due or accrued	5,501,849		5,501,849	9,528,408
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))	1,599,637		1,599,637	5,517,680
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	15,473,668		15,473,668	18,917,654
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified (\$.....0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans	39,007		39,007	28,189
23.	Aggregate write-ins for other liabilities (including \$.....0 current)				
24.	TOTAL Liabilities (Lines 1 to 23)	265,006,362		265,006,362	352,023,568
25.	Aggregate write-ins for special surplus funds	X X X	X X X	42,502,056	
26.	Common capital stock	X X X	X X X	44,700	44,700
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	83,451,363	83,451,363
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	60,776,037	101,844,369
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	186,774,156	185,340,432
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	451,780,518	537,364,000
DETAILS OF WRITE-INS					
2301.	.....			
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	Estimate of 2018 ACA Health Insurer Fee Surplus	X X X	X X X	42,502,056	
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	42,502,056	
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	6,238,166	5,869,051
2.	Net premium income (including \$.....0 non-health premium income)	X X X	2,201,824,040	2,362,733,763
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X	19,224	58,106,137
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	2,201,843,264	2,420,839,900
Hospital and Medical:				
9.	Hospital/medical benefits		1,494,736,279	1,584,682,184
10.	Other professional services		69,547,225	82,484,580
11.	Outside referrals		60,906,981	47,356,002
12.	Emergency room and out-of-area		31,811,926	29,494,624
13.	Prescription drugs		311,678,508	277,294,327
14.	Aggregate write-ins for other hospital and medical		380,948	337,372
15.	Incentive pool, withhold adjustments and bonus amounts		15,774,674	12,316,808
16.	Subtotal (Lines 9 to 15)		1,984,836,541	2,033,965,897
Less:				
17.	Net reinsurance recoveries		2,523,990	4,672,362
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		1,982,312,551	2,029,293,535
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....26,908,485 cost containment expenses		36,154,036	7,804,708
21.	General administrative expenses		184,332,954	359,759,848
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		2,202,799,541	2,396,858,091
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(956,277)	23,981,809
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		2,688,479	2,039,026
26.	Net realized capital gains (losses) less capital gains tax of \$.....105,539		196,001	(84,602)
27.	Net investment gains (losses) (Lines 25 plus 26)		2,884,480	1,954,424
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			38,526
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	1,928,203	25,974,759
31.	Federal and foreign income taxes incurred	X X X	1,382,129	22,103,832
32.	Net income (loss) (Lines 30 minus 31)	X X X	546,074	3,870,927
DETAILS OF WRITE-INS				
0601.	ACA Insurer Fee - 2016 Adjustment	X X X	19,224	58,106,137
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	19,224	58,106,137
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Hearing/Speech devices		380,948	337,372
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		380,948	337,372
2901.	Miscellaneous revenue			38,526
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			38,526

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	185,340,432	153,435,940
34.	Net income or (loss) from Line 32	546,074	3,870,927
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....309,338 ...	1,417,113	576,521
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	309,835	186,499
39.	Change in nonadmitted assets	(839,298)	270,545
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		27,000,000
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	1,433,724	31,904,492
49.	Capital and surplus end of reporting year (Line 33 plus 48)	186,774,156	185,340,432
DETAILS OF WRITE-INS			
4701.	.....	
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	2,230,496,405	2,329,921,433
2.	Net investment income	4,269,107	3,362,714
3.	Miscellaneous income	14,810,177	60,235,184
4.	TOTAL (Lines 1 through 3)	2,249,575,689	2,393,519,331
5.	Benefit and loss related payments	2,085,240,665	2,015,895,100
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	223,244,930	368,138,989
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....105,539 tax on capital gains (losses)	5,177,485	17,297,135
10.	TOTAL (Lines 5 through 9)	2,313,663,080	2,401,331,224
11.	Net cash from operations (Line 4 minus Line 10)	(64,087,391)	(7,811,893)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	25,287,896	62,685,628
12.2	Stocks	314,342	2,613,190
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets	85,027	41,835
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		32,990
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	25,687,265	65,373,643
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	35,790,258	76,219,641
13.2	Stocks	3,984,105	2,759,893
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	338,164	288,435
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	40,112,527	79,267,968
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(14,425,262)	(13,894,326)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		27,000,000
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(3,443,986)	5,388,354
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(3,443,986)	32,388,354
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(81,956,638)	10,682,135
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	308,833,871	298,151,735
19.2	End of year (Line 18 plus Line 19.1)	226,877,232	308,833,871

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	2,201,824,040	12,961,604					169,138,886	2,019,723,550		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues	19,224							19,224		X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	2,201,843,264	12,961,604					169,138,886	2,019,742,774		
8.	Hospital/medical benefits	1,494,736,279	6,143,145					91,711,137	1,396,881,997		X X X
9.	Other professional services	69,547,225	48,661					5,930,719	63,567,845		X X X
10.	Outside referrals	60,906,981	139,691					5,767,759	54,999,531		X X X
11.	Emergency room and out-of-area	31,811,926	125,967					3,215,101	28,470,858		X X X
12.	Prescription drugs	311,678,508	2,527,299					20,641,408	288,081,789	428,012	X X X
13.	Aggregate write-ins for other hospital and medical	380,948	616					35,695	344,637		X X X
14.	Incentive pool, withhold adjustments and bonus amounts	15,774,674	28,475					525,258	15,220,941		X X X
15.	Subtotal (Lines 8 to 14)	1,984,836,541	9,013,854					127,827,077	1,847,567,598	428,012	X X X
16.	Net reinsurance recoveries	2,523,990							2,523,990		X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	1,982,312,551	9,013,854					127,827,077	1,845,043,608	428,012	X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....26,908,485 cost containment expenses	36,154,036	54,426					26,908,485	9,191,125		
20.	General administrative expenses	184,332,954	2,820,540					3,756,574	177,709,378	46,462	
21.	Increase in reserves for accident and health contracts										X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	2,202,799,541	11,888,820					158,492,136	2,031,944,111	474,474	
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(956,277)	1,072,784					10,646,750	(12,201,337)	(474,474)	
DETAILS OF WRITE-INS											
0501.	ACA Insurer Fee - 2016 Adjustment	19,224							19,224		X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	19,224							19,224		X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	Hearing/Speech Devices	380,948	616					35,695	344,637		X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	380,948	616					35,695	344,637		X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct	Reinsurance	Reinsurance	Net Premium
Line of Business		Business	Assumed	Ceded	Income
					(Columns
					1 + 2 - 3)
1.	Comprehensive (hospital and medical)	13,201,138		239,535	12,961,603
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare	169,206,019		67,132	169,138,887
7.	Title XIX - Medicaid	2,021,852,567		2,129,017	2,019,723,550
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	2,204,259,724		2,435,684	2,201,824,040
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	2,204,259,724		2,435,684	2,201,824,040

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	2,073,494,684	8,062,352					144,163,540	1,920,593,319	675,473	
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	3,381,428						84,771	3,296,657		
1.4 Net	2,070,113,256	8,062,352					144,078,769	1,917,296,662	675,473	
2. Paid medical incentive pools and bonuses	15,127,411	21,945					353,101	14,752,365		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	229,844,348	2,639,379					25,271,748	201,930,468	2,753	
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	229,844,348	2,639,379					25,271,748	201,930,468	2,753	
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	3,596,656	6,530					226,833	3,363,293		
6. Net healthcare receivables (a)	25,990,190	64,704					18,955,188	7,162,816	(192,518)	
7. Amounts recoverable from reinsurers December 31, current year	3,264,841						3,168	3,261,673		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	308,286,975	1,651,648					23,178,281	283,014,314	442,732	
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	308,286,975	1,651,648					23,178,281	283,014,314	442,732	
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	2,949,393						54,676	2,894,717		
11. Amounts recoverable from reinsurers December 31, prior year	4,122,279						87,939	4,034,340		
12. Incurred benefits:										
12.1 Direct	1,969,061,867	8,985,379					127,301,819	1,832,346,657	428,012	
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	2,523,990							2,523,990		
12.4 Net	1,966,537,877	8,985,379					127,301,819	1,829,822,667	428,012	
13. Incurred medical incentive pools and bonuses	15,774,674	28,475					525,258	15,220,941		

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	83,148,483	215,828					3,844,929	79,084,973	2,753	
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	83,148,483	215,828					3,844,929	79,084,973	2,753	
2. Incurred but Unreported:										
2.1 Direct	146,695,865	2,423,551					21,426,819	122,845,495		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	146,695,865	2,423,551					21,426,819	122,845,495		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	229,844,348	2,639,379					25,271,748	201,930,468	2,753	
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	229,844,348	2,639,379					25,271,748	201,930,468	2,753	

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)	1,288,865	6,773,488		2,639,379	1,288,865	1,651,648
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	15,343,465	128,818,768	188,925	25,082,825	15,532,390	22,985,279
7.	Title XIX - Medicaid	247,841,511	1,670,227,731	21,495,308	180,435,158	269,336,819	283,207,315
8.	Other health	676,864		2,753		679,617	442,732
9.	Health subtotal (Lines 1 to 8)	265,150,705	1,805,819,987	21,686,986	208,157,362	286,837,691	308,286,974
10.	Healthcare receivables (a)		17,677,903		11,424,844		3,112,558
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	3,002,463	12,124,948	43,378	3,553,278	3,045,841	2,949,393
13.	TOTALS (Lines 9 - 10 + 11 + 12)	268,153,168	1,800,267,032	21,730,364	200,285,796	289,883,532	308,123,809

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	93,816	93,816	93,816	93,816	93,816
2.	2013	831,225	937,969	937,969	937,969	937,969
3.	2014	X X X	1,014,965	1,193,175	1,214,673	1,214,673
4.	2015	X X X	X X X	1,477,310	1,713,745	1,746,186
5.	2016	X X X	X X X	X X X	1,756,461	1,992,173
6.	2017	X X X	X X X	X X X	X X X	1,817,945

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	96,129	93,816	93,816	93,816	93,816
2.	2013	943,596	944,802	937,969	937,969	937,969
3.	2014	X X X	1,206,665	1,214,673	1,214,673	1,214,673
4.	2015	X X X	X X X	1,752,147	1,746,186	1,746,186
5.	2016	X X X	X X X	X X X	2,035,257	2,013,903
6.	2017	X X X	X X X	X X X	X X X	2,029,656

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013	1,058,587	937,969	3,780	0.403	941,749	88.963			941,749	88.963
2.	2014	1,418,656	1,214,673	4,336	0.357	1,219,009	85.927			1,219,009	85.927
3.	2015	2,069,707	1,746,186	8,335	0.477	1,754,521	84.771			1,754,521	84.771
4.	2016	2,362,734	1,992,173	13,011	0.653	2,005,184	84.867	21,730		2,026,914	85.787
5.	2017	2,201,825	1,817,945	30,844	1.697	1,848,789	83.966	211,711		2,060,500	93.581

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior					
2.	2013					
3.	2014	X X X	2	2	2	2
4.	2015	X X X	X X X	26	48	48
5.	2016	X X X	X X X	X X X	2,320	3,609
6.	2017	X X X	X X X	X X X	X X X	6,795

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior					
2.	2013					
3.	2014	X X X	43	2	2	2
4.	2015	X X X	X X X	93	48	48
5.	2016	X X X	X X X	X X X	3,972	3,609
6.	2017	X X X	X X X	X X X	X X X	9,441

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013										
2.	2014	16	2	0	2.000	2	12.750			2	12.750
3.	2015	74	48	2	4.167	50	67.568			50	67.568
4.	2016	5,620	3,609	23	0.633	3,632	64.624			3,632	64.624
5.	2017	12,962	6,795	45	0.665	6,840	52.771	2,646		9,486	73.184

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	602	602	602	602	602
2.	2013	4,285	5,150	5,150	5,150	5,150
3.	2014	X X X	13,842	18,430	18,447	18,447
4.	2015	X X X	X X X	68,036	91,352	91,527
5.	2016	X X X	X X X	X X X	103,006	118,273
6.	2017	X X X	X X X	X X X	X X X	129,073

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	602	602	602	602	602
2.	2013	5,069	5,151	5,150	5,150	5,150
3.	2014	X X X	17,811	18,448	18,447	18,447
4.	2015	X X X	X X X	89,490	91,527	91,527
5.	2016	X X X	X X X	X X X	125,871	118,462
6.	2017	X X X	X X X	X X X	X X X	154,383

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013	6,104	5,150	17	0.330	5,167	84.649			5,167	84.649
2.	2014	20,170	18,447	36	0.196	18,483	91.636			18,483	91.636
3.	2015	99,689	91,527	501	0.547	92,028	92.315			92,028	92.315
4.	2016	130,132	118,273	5,084	4.298	123,357	94.794	189		123,546	94.939
5.	2017	169,139	129,073	23,068	17.872	152,141	89.950	25,310		177,451	104.914

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	93,214	93,214	93,214	93,214	93,214
2.	2013	826,940	932,819	932,819	932,819	932,819
3.	2014	X X X	988,719	1,162,337	1,183,818	1,183,818
4.	2015	X X X	X X X	1,402,946	1,615,126	1,647,392
5.	2016	X X X	X X X	X X X	1,646,840	1,865,319
6.	2017	X X X	X X X	X X X	X X X	1,682,077

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	95,527	93,214	93,214	93,214	93,214
2.	2013	938,527	939,651	932,819	932,819	932,819
3.	2014	X X X	1,176,405	1,183,817	1,183,818	1,183,818
4.	2015	X X X	X X X	1,655,388	1,647,392	1,647,392
5.	2016	X X X	X X X	X X X	1,900,676	1,886,857
6.	2017	X X X	X X X	X X X	X X X	1,865,832

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013	1,052,483	932,819	3,763	0.403	936,582	88.988			936,582	88.988
2.	2014	1,388,786	1,183,818	4,300	0.363	1,188,118	85.551			1,188,118	85.551
3.	2015	1,965,288	1,647,392	7,832	0.475	1,655,224	84.223			1,655,224	84.223
4.	2016	2,223,035	1,865,319	7,904	0.424	1,873,223	84.264	21,538		1,894,761	85.233
5.	2017	2,019,724	1,682,077	7,731	0.460	1,689,808	83.665	183,755		1,873,563	92.763

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior					
2.	2013					
3.	2014	X X X	12,402	12,406	12,406	12,406
4.	2015	X X X	X X X	6,302	7,219	7,219
5.	2016	X X X	X X X	X X X	4,295	4,972
6.	2017	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior					
2.	2013					
3.	2014	X X X	12,406	12,406	12,406	12,406
4.	2015	X X X	X X X	7,176	7,219	7,219
5.	2016	X X X	X X X	X X X	4,738	4,975
6.	2017	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013										
2.	2014	9,684	12,406			12,406	128.108			12,406	128.108
3.	2015	4,656	7,219			7,219	155.047			7,219	155.047
4.	2016	3,947	4,972			4,972	125.969	3		4,975	126.045
5.	2017										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)	8,400,000	8,400,000							
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)	8,400,000	8,400,000							
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	8,400,000	8,400,000							
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)		440,826	7,001,824		7,442,650
2.	Salaries, wages and other benefits		3,851,838	91,132,086		94,983,924
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)			2,673,503		2,673,503
4.	Legal fees and expenses			581,198		581,198
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services			966,241		966,241
7.	Traveling expenses		1,384	1,097,718		1,099,102
8.	Marketing and advertising		751	5,809,793		5,810,544
9.	Postage, express and telephone			120,622		120,622
10.	Printing and office supplies		2,369	18,646		21,015
11.	Occupancy, depreciation and amortization			7,840,093		7,840,093
12.	Equipment		8,473	1,755,233		1,763,706
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services	26,908,485	4,938,681	40,643,904		72,491,070
15.	Boards, bureaus and association fees		144	684,278		684,422
16.	Insurance, except on real estate					
17.	Collection and bank service charges			228,554		228,554
18.	Group service and administration fees		993	1,183,169		1,184,162
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes			17,546,789		17,546,789
23.2	State premium taxes					
23.3	Regulatory authority licenses and fees		92	1,362,038		1,362,130
23.4	Payroll taxes					
23.5	Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere				795,469	795,469
25.	Aggregate write-ins for expenses			3,687,265		3,687,265
26.	TOTAL Expenses Incurred (Lines 1 to 25)	26,908,485	9,245,551	184,332,954	795,469	(a) 221,282,459
27.	Less expenses unpaid December 31, current year			20,975,517		20,975,517
28.	Add expenses unpaid December 31, prior year			28,711,060		28,711,060
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	26,908,485	9,245,551	192,068,497	795,469	229,018,002
DETAILS OF WRITE-INS						
2501.	Directors Fees			19,000		19,000
2502.	Contributions			312,658		312,658
2503.	Interest on Medical Claims			50,997		50,997
2598.	Summary of remaining write-ins for Line 25 from overflow page			3,304,610		3,304,610
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			3,687,265		3,687,265

(a) Includes management fees of \$.....170,019,612 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 175,865	..... 183,331
1.1	Bonds exempt from U.S. tax	(a)..... 672,554	..... 588,900
1.2	Other bonds (unaffiliated)	(a)..... 1,328,281	..... 1,401,348
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	..... 193,814	..... 249,226
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e)..... 956,924	..... 1,061,143
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	TOTAL Gross investment income .....	..... 3,327,439	..... 3,483,948
11.	Investment expenses		(g)..... 795,469
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	TOTAL Deductions (Lines 11 through 15) .....		..... 795,469
17.	Net Investment income (Line 10 minus Line 16) .....		..... 2,688,479
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....
(a) Includes \$.....14,236 accrual of discount less \$.....1,756,062 amortization of premium and less \$.....141,220 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....4,650 accrual of discount less \$.....1,677,509 amortization of premium and less \$.....407,448 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	..... (2)	.....	..... (2)	.....	.....
1.1	Bonds exempt from U.S. tax .....	..... 27,759	.....	..... 27,759	.....	.....
1.2	Other bonds (unaffiliated) .....	..... 10,672	.....	..... 10,672	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	..... 314,342	.....	..... 314,342	..... 1,726,451	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	..... (49,898)	.....	..... (49,898)	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	TOTAL Capital gains (losses) .....	..... 302,872	.....	..... 302,872	..... 1,726,451	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)	1,203,612	1,248,375	44,763
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)	1,203,612	1,248,375	44,763
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued	49,147	50,975	1,828
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection			
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3	Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers			
16.2	Funds held by or deposited with reinsured companies			
16.3	Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans		7,178	7,178
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset			
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets			
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable	1,248,176	355,109	(893,067)
25.	Aggregate write-ins for other than invested assets	3,027	3,027	
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,503,962	1,664,664	(839,298)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	2,503,962	1,664,664	(839,298)
DETAILS OF WRITE-INS				
1101.	.....		
1102.	.....		
1103.	.....		
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Deposits	3,027	3,027	
2502.	Acquired Memberships			
2503.	.....		
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,027	3,027	

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	504,832	517,622	524,784	514,533	517,338	6,238,166
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	504,832	517,622	524,784	514,533	517,338	6,238,166
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Meridian Health Plan of Michigan, Inc. (the “Company”) operates as a state-licensed health maintenance organization (HMO). The Company provides medical services to persons in sixty-eight Michigan counties who subscribe as recipients of state health benefits (Medicaid benefits). In addition, the Company operates a Medicare Advantage Dual-Eligible Special Needs Plan, a Medicare Advantage Prescription Drug Plan, a Medicare – Medicaid Alignment Initiative Plan and catastrophic and metal plans on the Federal Health Insurance Marketplace.

The Company contracts directly with physician/physician groups and hospitals for the provision of medical care, and compensates the providers on either a capitation or fee for service basis.

A. Accounting Practices

The financial statements of Meridian Health Plan of Michigan (the “Company”) are presented on the basis of accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (“DIFS”).

The DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Michigan Insurance Code. The DIFS has adopted the National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures Manual* as a component of prescribed and permitted practices for the state. The DIFS has the right to permit specific practices that deviate from prescribed practices. The State of Michigan requires transfer payment programs, which consist of the Hospital Reimbursement Adjustment (“HRA”), Graduate Medical Education (“GME”), and Specialty Network Access Fee (“SNAF”), to be recorded as premium income, and the resulting payments to providers to be treated as hospital/medical benefits. In NAIC SAP these types of pass-through arrangements are reported as uninsured plans. This state prescribed accounting practice resulted in no differences from NAIC SAP net income or capital and surplus.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the DIFS is shown below:

		SSAP #	F/S Page	F/S Line	2017	2016
NET INCOME						
(1)	State basis (Page 4, Line 32, Columns 2 & 3)	N/A	N/A	N/A	\$546,074	\$3,870,927
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(201)						
(299)	Total					
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(301)						
(399)	Total					
(4)	NAIC SAP (1-2-3=4)	N/A	N/A	N/A	\$546,074	\$3,870,927
SURPLUS						
(5)	State basis (Page 3, Line 33, Columns 3 & 4)	N/A	N/A	N/A	\$186,774,156	\$185,340,432
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(601)						
(699)	Total					
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(701)						
(799)	Total					
(8)	NAIC SAP (5-6-7=8)	N/A	N/A	N/A	\$186,774,156	\$185,340,432

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, primarily claims unpaid. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health capitation premiums are recognized in the period members are entitled to related health care services. Health care service costs and the related liabilities for claims payable are recorded when medical services are provided to eligible members. Expenses are charged to operations as incurred.

(1) Short-term investments are stated at amortized cost.

Notes to Financial Statements

- (2) Bonds are stated at amortized cost using the scientific interest method.
- (3) Common stocks are stated at fair market value.
- (4) The Company had no preferred stock.
- (5) The Company had no mortgage loans on real estate.
- (6) The Company had no loan-backed securities.
- (7) The Company had no investments in subsidiaries, controlled or affiliated entities.
- (8) The Company has a minor ownership interest in a joint venture. The Company carries this interest based on the underlying audited GAAP equity of the investee.
- (9) The Company had no derivatives.
- (10)The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11)Claims payable includes an actuarially determined estimate of the ultimate cost of settling claims.
- (12)The Company has no property and equipment and related capitalization policy.
- (13) Pharmaceutical rebates receivable are estimated based on actual prescriptions filled.

D. Going Concern

None

2. Accounting Changes and Correction of Errors

None

3. Business Combinations and Goodwill

- A. Statutory Purchase Method – None
- B. Statutory Merger – None
- C. Assumption Reinsurance – None
- D. Impairment Loss – None

4. Discontinued Operations

- A. Discontinued Operation Disposed of or Classified as Held for Sale – None
- B. Change in Plan of Sale of Discontinued Operation – None
- C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal –
None
- D. Equity Interest Retained in the Discontinued Operation After Disposal – None

5. Investments

- A. Mortgage Loans – None
- B. Debt Restructuring – None
- C. Reverse Mortgages – None
- D. Loan-Backed Securities - None
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions – None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- H. Repurchase Agreements Transactions Accounted for as a Sale – None

Notes to Financial Statements

- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
- J. Real Estate - None
- K. Investments in low-income housing tax credits (LIHTC) – None
- L. Restricted Assets

As of December 31, 2017 and 2016, the Company maintained on deposit with the Michigan Insurance Department \$2,120,026 and \$2,112,237, respectively, held as cash, short-term investments, and long-term bonds.

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$ %%
b. Collateral held under security lending agreements	.....	.....	.....	.....	.....	.....	.....
c. Subject to repurchase agreements	.....	.....	.....	.....	.....	.....	.....
d. Subject to reverse repurchase agreements	.....	.....	.....	.....	.....	.....	.....
e. Subject to dollar repurchase agreements	.....	.....	.....	.....	.....	.....	.....
f. Subject to dollar reverse repurchase agreements	.....	.....	.....	.....	.....	.....	.....
g. Placed under option contracts	.....	.....	.....	.....	.....	.....	.....
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	.....	.....	.....	.....	.....	.....	.....
i. FHLB capital stock							
j. On deposit with states	\$2,120,026	\$2,112,237	\$7,789	\$0	\$2,120,026	.47%	.47%
k. On deposit with other regulatory bodies	.....	.....	.....	.....	.....	.....	.....
l. Pledged as collateral to FHLB (including assets backing funding agreements)	.....	.....	.....	.....	.....	.....	.....
m. Pledged as collateral not captured in other categories	.....	.....	.....	.....	.....	.....	.....
n. Other restricted assets	.....	.....	.....	.....	.....	.....	.....
o. Total Restricted Assets	\$2,120,026	\$2,112,237	\$7,789	\$0	\$2,120,026	.47%	.47%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

(3) Detail of Other Restricted Assets – None

(4) Collateral Received and Reflected as Assets Within the Reporting Entity’s Financials Statements - None

- M. Working Capital Finance Investments – None
- N. Offsetting and Netting of Assets and Liabilities – None
- O. Structured Notes – None
- P. 5*Securities – none
- Q. Short Sales – None
- R. Prepayment Penalty and Acceleration Fees

6. Joint Ventures, Partnerships and Limited Liability Company

The Company has no investments in Joint Ventures, Partnerships or Limited Liability companies that exceed 10% of its admitted assets.

7. Investment Income

Notes to Financial Statements

- A. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.
- B. The Company had no investment income due and accrued excluded from surplus.

8. Derivative Instruments

None

9. Income Taxes

- A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

(1)

Description		12/31/2017			12/31/2016			Change		
		1	2	3	4	5	6	7	8	9
		Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 – 4) Ordinary	(Col. 2 – 5) Capital	(Col. 7 + 8) Total
a.	Gross Deferred Tax Assets	1,603,468	0	1,603,468	1,293,633	0	1,293,633	309,835		309,835
b.	Statutory Valuation Allowance Adjustments									
c.	Adjusted Gross Deferred Tax Assets (1a – 1b)	1,603,468	0	1,603,468	1,293,633	0	1,293,633	309,835		309,835
d.	Deferred Tax Assets Non-admitted									
e.	Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	1,603,468	0	1,603,468	1,293,633	0	1,293,633	309,835		309,835
f.	Deferred Tax Liabilities	0	(577,182)	(577,182)	0	(348,956)	(348,956)	0	(228,226)	(228,226)
g.	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	1,603,468	(577,182)	1,026,286	1,293,633	(348,956)	944,677	309,835	(228,226)	81,609

(2)

Description		12/31/2017			12/31/2016			Change		
		1	2	3	4	5	6	7	8	9
		Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 – 4) Ordinary	(Col. 2 – 5) Capital	(Col. 7 + 8) Total
a.	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	1,603,468		1,603,468	1,293,633		1,293,633	309,835		309,835
b.	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)									
b1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date									
b2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold			18,574,787			18,439,576			135,211
c..	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities									
d.	Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b – 2c)	1,603,468		1,603,468	1,293,633		1,293,633	309,835		309,835

(3)

	Description	2017	2016
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	272%	264%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	185,747,870	184,395,756

Notes to Financial Statements

(4) The Company has not utilized tax planning strategies at December 31, 2017 and 2016.

- B. Regarding deferred tax liabilities that are not recognized – None
C. Current income taxes incurred consist of the following major components:

	Description	1	2	3
		12/31/2017	12/31/2016	(Col. 1 – 2) Change
1.	Current Income Tax			
a.	Federal	1,382,129	22,103,832	(20,721,703)
b.	Foreign			
c.	Subtotal			
d.	Federal income tax on net capital gains	105,539	(43,583)	149,122
e.	Utilization of capital loss carry-forwards			
f.	Other			
g.	Federal and foreign income taxes incurred	1,487,668	22,060,249	(20,572,581)
2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	237,576	417,822	(180,246)
2.	Unearned premium reserve	23,150	25,083	(1,933)
3.	Accrued HICA	375,700	707,539	(331,839)
4.	Premium Deficiency Reserve			
5.	Deferred acquisition costs			
6.	Accrued Pharmacy			
7.	Fixed assets			
8.	Compensation and benefits accrual			
9.	Pension accrual			
10.	Receivables – nonadmitted	273,074	143,189	129,885
11.	Net operating loss carry-forward			
12.	Tax credit carry-forward			
13.	Other (including items < 5% of total ordinary tax assets)	693,968	0	693,968
99.	Subtotal	1,603,468	1,293,633	309,835
b.	Statutory valuation allowance adjustment			
c.	Nonadmitted			
d.	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	1,603,468	1,293,633	309,835
e.	Capital:			
1.	Investments	0	0	0
2.	Net capital loss carry-forward			
3.	Real estate			
4.	Other (including items < 5% of total capital tax assets)			
99.	Subtotal	0	0	0
f.	Statutory valuation allowance adjustment			
g.	Nonadmitted			
h.	Admitted capital deferred tax assets (2e99 – 2f – 2g)	0	0	0
i.	Admitted deferred tax assets (2d + 2h)	1,603,468	1,293,633	309,835
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Investments			
2.	Fixed assets			
3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items < 5% of total ordinary tax liabilities)			
99.	Subtotal			
b.	Capital:			
1.	Investments	577,182	348,956	228,226
2.	Real estate			
3.	Other (including items < 5% of total capital tax liabilities)			
99.	Subtotal	577,182	348,956	228,226
c.	Deferred tax liabilities (3a99 + 3b99)	577,182	348,956	228,226
4.	Net deferred tax assets/liabilities (2i – 3c)	1,026,286	944,677	81,609

D. Among the more significant book to tax adjustments were the following:

Description	Amount	Effective Tax Rate
Provision computed at statutory rate	713,672	35.0%
Tax exempt deduction	(202,369)	(10.0%)
Change in deferred tax on non-admitted assets	(129,885)	(6.4%)
Impact of Tax Rate Change	543,445	26.7%
Other	252,970	12.4%
Total statutory income taxes	1,177,833	57.7%
Federal income tax incurred	1,487,668	72.9%

Notes to Financial Statements

Change in net deferred income tax	(309,835)	(15.2)
Total statutory income taxes	1,177,833	51.7%

E. Other Disclosures

- (1) As of December 31, 2017, the Company had no unused operating loss carryforwards.
- (2) The following are income taxes incurred in the current and prior years which would be available for recoupment in the event of future net losses:

2017	\$1,487,668
2016	\$22,060,249

- (3) The Company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

The Company’s federal income tax return is consolidated with the following entities:
Caidan Holding Company, Inc. (Parent)
Meridian Health Plan of Illinois, Inc.
Meridian Health Plan of Iowa, Inc.

The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

G. Federal or Foreign Income Tax Loss Contingencies - None

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. – D. The Company is a wholly owned subsidiary of a holding company, Caidan Holding Company, Inc.

The Company contracted with Caidan Management Company, LLC, a third-party administrator related through common ownership, for administrative services. The Company incurred management fees to Caidan Management Company totaling \$170,019,612 and \$189,563,649 in 2017 and 2016, respectively. The Company also paid Caidan Management Company \$15,457,235 and \$11,077,581 in 2017 and 2016, respectively for claims tax reimbursement for claim taxes incurred by Caidan Management Company on behalf of the Company. The Company had outstanding amounts due to Caidan Management Company, LLC totaling \$14,955,342 and \$18,585,523 at December 31, 2017 and 2016, respectively, related to this agreement.

The Company contracted with MeridianRx, LLC a third-party administrator related through common ownership, for pharmacy benefit management services. During 2017 and 2016, the Company paid pharmacy costs and related expenses totaling \$349,708,190 and \$316,192,217, respectively, related to this agreement. The Company also paid MeridianRx \$2,020,526 and \$1,148,882 in 2017 and 2016, respectively, for claims tax reimbursement for claim taxes incurred by MeridianRx on behalf of the Company. The Company had outstanding amounts due to MeridianRx totaling \$16,314,441 and \$16,147,552 at December 31, 2017 and 2016, respectively, related to this agreement.

During 2017and 2016, the Company received additional capital contributions from Caidan Holding Company, Inc. in the amount of \$0 and \$27,000,000, respectively.

- E. Guarantees or undertakings that exist with affiliates or non-affiliates that would expose the Company’s assets or liabilities - None
- F. The Company has an administrative service agreement with affiliate third party administrator, Caidan Management Company.
- G. The Company is a wholly-owned subsidiary of Caidan Holding Company, Inc.
- H. Ownership in any upstream intermediate entities or ultimate parent companies owned - None
- I - J. Investment in SCA – None
- K. Investment in foreign insurance subsidiary - None
- L. Investments in Downstream Noninsurance Holding Company – None
- M. All SCA Investments – None
- N. Investment in Insurance SCAs - None

11. Debt

- (A) Outstanding Debt – None
- (B) FHLB (Federal Home Loan Bank) Agreements – None

Notes to Financial Statements

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A.– D. Defined Benefit Plan – None
- E. Defined Contribution Plans – None
- F. Multiemployer Plans – None
- G. Consolidated/Holding Company Plans – None
- H. Postemployment Benefit and Compensated Absences – None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 100,000 common shares authorized and 1,000 shares issued and outstanding at December 31, 2017 with a stated value of \$44.70 per share.
- (2) The Company has not issued any preferred stock.
- (3) The Company is subject to dividend limitations by statute to paying dividends no greater than 10 percent of surplus without prior approval of the Michigan Department of Insurance and Financial Services.
- (4) The Company did not declare or pay dividends during 2017.
- (5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) There are no restrictions placed on the Company’s surplus.
- (7) The Company has no advances to surplus not repaid.
- (8) The Company has no stock held for special purposes.
- (9) The change in the balance of special surplus funds from the prior year is attributable to the estimated ACA Health Insurer Fee.
- (10) The cumulative portion of unassigned funds (surplus) represented by unrealized (gains) losses, net of taxes, is (\$1,696,509) and (\$279,396) at December 31, 2017 and 2016 respectively.
- (11) The Company had no surplus notes issued or outstanding as of December 31, 2017.
- (12) No quasi-reorganizations have taken place as of December 31, 2017.
- (13) No quasi-reorganizations have taken place as of December 31, 2017.

14. Contingencies

- A. Contingent Commitments – None
- B. Assessments – None
- C. Gain Contingencies – None
- D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits – None
- E. Joint and Several Liabilities - None
- F. All Other Contingencies – None

15. Leases

- A. Lessee Operating Leases – None
- B. Lessor Leases – None

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfer of Receivables reported as Sales – None
- B. Transfer and Servicing of Financial Assets – None
- C. Wash Sales - None

18. Gains or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans – None
- B. ASC Plans – None

Notes to Financial Statements

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

- (1) Reimbursements from the Centers for Medicare and Medicaid Services (CMS) for the Company’s participation in the Medicare Part D program for the year ended December 31, 2017 and 2016 were \$44,645,594 and \$40,250,346 respectively.

This amount represents pharmacy benefit cost reimbursements for the Reinsurance Subsidy and the Low-Income Cost Sharing Subsidy elements of the Medicare Part D program.

- (2) As of December 31, 2017 the Company had recorded receivables from the following payors whose account balances are greater than 10% of the Company’s amounts receivable from uninsured accident and health plans or \$10,000:
CMS \$7,821,225
- (3) In connection with the Company’s Medicare Part D cost based reimbursement portion of the contract, the Company has no recorded allowances and reserves for adjustment of recorded revenues at December 31, 2017.
- (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value Measurements

A. Fair Market Value at Reporting Date

1. Fair Value Measurements at Reporting Date

	Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a.	Common Stocks	\$17,221,836			\$17,221,836
99	Subtotal – Assets at fair value	\$17,221,836			\$17,221,836
b.	Liabilities at fair value				
01	Derivatives				
02					
99	Subtotal – Liabilities at fair value				

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None
3. The Company does not have any securities valued at fair value.
4. The Company has not valued any securities at a Level 2 or 3.
5. Derivative assets and liabilities – None

B. Fair Value information under SSAP No. 100 combined with Fair Value information Under Other Accounting Pronouncements – None

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	108,452,895	108,660,184	-	108,452,895	-	-
Short Term Investments	71,211,222	71,295,068	-	71,211,222	-	-
Cash Equivalent	2,076,605	2,076,605	2,076,605	-		-
Common Stock	17,221,836	17,221,836	17,221,836	-	-	-

D. Not Practicable to Estimate Fair Value – None

21. Other Items

Notes to Financial Statements

- A. Unusual or Infrequent Items – None
- B. Troubled Debt Restructuring – None
- C. Other Disclosures – None
- D. Business Interruption Insurance Recoveries – None
- E. State Transferable and Non-transferable Tax Credits – None
- F. Subprime-Mortgage-Related Risk Exposure – None
- G. Retained Assets – None
- H. Insurance – Linked Securities (ILS) Contracts - None

22. Events Subsequent

Type I – Recognized Subsequent Events - None

Subsequent events have been considered through February 27, 2018 for the statutory statement issued for December 31, 2017.

Type II – Nonrecognized Subsequent Events

Subsequent events have been considered through February 27, 2018 for the statutory statement issued for December 31, 2017.

On January 1, 2018, the Company will be subject to an annual fee under Section 9010 of the federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2017, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2018 to be \$42,502,056. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by \$42,502,056. Reporting the ACA assessment as of December 31, 2017, would not have triggered an RBC action level.

23. Reinsurance

A. Ceded Reinsurance Report

The Company maintains a reinsurance policy to provide coverage on an annual per member basis after a deductible for eligible services is reached. The deductible for the period January 1, 2017 through June 30, 2017 is \$250,000 and \$300,000, as applicable per covered population, and for the period July 1, 2017 through December 31, 2017 is \$250,000 and \$400,000, as applicable per covered population. The maximum agreement period reinsurance indemnity payable is \$2,000,000 per member for the period January 1, 2017 through June 30, 2017, and \$2,000,000 and \$5,000,000, as applicable per covered population, for the period July 1, 2017 through December 31, 2017. The Company has reported premiums net of reinsurance ceded of \$2,435,684 and \$2,150,942 as of December 31, 2017 and 2016, respectively. Losses recovered by the Company totaled \$2,523,990 and \$4,672,362 in 2017 and 2016, respectively. At December 31, 2017 and 2016, the Company has a reinsurance receivable recorded of \$3,264,841 and \$4,122,280 respectively.

The Company does not have reinsurance assumed, uncollectible reinsurance, or retroactive reinsurance.

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Notes to Financial Statements

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes () No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) The estimated amount of the aggregate reduction in surplus, of termination of ALL reinsurance agreements, by either party, as of the date of this statement is zero.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

- B. Uncollectible Reinsurance – None
- C. Commutation of Ceded Reinsurance – None
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company’s participation in the Medicare Advantage and MI Health Link program includes a risk sharing provision with CMS. The Company estimates accrued retrospective premium adjustments for its Medicare Advantage and MI Health Link products through a prescribed formula approach. The Company also estimates accrued retrospective premium adjustments for its Commercial line of business on the Federal Health Insurance Marketplace based on provisions of the Affordable Care Act.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Company as of December 31, 2017 and 2016 that are subject to retrospective rating features was approximately \$156.0 million and \$111.4 million which represented 7.1% percent and 4.7% percent of total net premiums written in 2017 and 2016, respectively. No other net premiums written by the Company are subject to retrospective rating features.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act. - None
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)
- (1) Did the reporting entity write accident and health insurance premiums that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? YES
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities, and Revenue for the Current Year

		AMOUNT
a.	Permanent ACA Risk Adjustment Program	
	Assets	
	1.	Premium adjustments receivable due to ACA Risk Adjustment
		\$0
	Liabilities	
	2.	Risk adjustment user fees payable for ACA Risk Adjustment
		\$0
	3.	Premium adjustments payable due to ACA Risk Adjustment
		\$8,400,000
	Operations (Revenue & Expense)	
	4.	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment
		(\$8,928,251)
	5.	Reported in expenses as ACA risk adjustment user fees (incurred/paid)
		\$795,088
b.	Transitional ACA Reinsurance Program	

Notes to Financial Statements

	Assets		
	1.	Amounts recoverable for claims paid due to ACA Reinsurance	\$0
	2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$0
	3.	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$0
	Liabilities		
	4.	Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$0
	5.	Ceded reinsurance premiums payable due to ACA Reinsurance	\$0
	6.	Liability for amounts held under uninsured plans contributions for ACA Reinsurance	\$0
	Operations (Revenue & Expense)		
	7.	Ceded reinsurance premiums due to ACA Reinsurance	\$0
	8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$0
	9.	ACA Reinsurance Contributions - not reported as ceded premium	\$0
c.	Temporary ACA Risk Corridors Program		
	Assets		
	1.	Accrued retrospective premium due to ACA Risk Corridors	\$0
	Liabilities		
	2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$0
	Operations (Revenue & Expense)		
	3.	Effect of ACA Risk Corridors on net premium income (paid/received)	\$0
	4.	Effect of ACA Risk Corridors on change in reserves for rate credits	\$0

(3) Rollfoward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reason for any adjustments to prior year balance.

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
						Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
						5	6	7	8	Ref	9	10
		1	2	3	4							
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a.	Permanent ACA Risk Adjustment Program											
	1 . Premium adjustments receivable		(3,541,000)		(2,543,153)		(997,847)		997,847			0
	2 . Premium adjustments (payable)											
	3 . Subtotal ACA Permanent Risk Adjustment Program		(3,541,000)		(2,543,153)		(997,847)		997,847			0
b.	Transitional ACA Reinsurance Program											
	1 . Amounts recoverable for claims paid											
	2 . Amounts recoverable for claims unpaid (contra liability)											
	3 . Amounts receivable relating to uninsured plans											
	4 . Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium											
	5 . Ceded reinsurance premiums payable											
	6 . Liability for amounts held under uninsured plans											
	7 . Subtotal ACA Transitional Reinsurance Program											
c.	Temporary ACA Risk Corridors Program											
	1 . Accrued retrospective premium		0		60,818		(60,818)		60,818			0
	2 . Reserve for rate credits or policy experience rating refunds											
	3 . Subtotal ACA Risk Corridors Program		0		60,818		(60,818)		60,818			0
d	Total for ACA Risk Sharing Provisions		(3,541,000)		(2,482,335)		(1,058,665)		1,058,665			0

Notes to Financial Statements

(4) Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Risk Corridor Program Year		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
						Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
		1	2	3	4	5	6	7	8	Ref	9	10
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a.	2014											
	1.	Accrued retrospective premium										
	2.	Reserve for rate credits or policy experience rating refunds										
b.	2015											
	1.	Accrued retrospective premium										
	2.	Reserve for rate credits or policy experience rating refunds										
c.	2016											
	1.	Accrued retrospective premium	0		60,818		(60,818)		60,818			0
	2.	Reserve for rate credits or policy experience rating refunds										
d.	Total for Risk Corridors		0		60,818		(60,818)		60,818			0

(5) ACA Risk Corridors Receivable as of Reporting Date

		1	2	3	4	5	6
		Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non- admissions) (1-2-3)	Non-admitted amount	Net Admitted Asset (4-5)
a.	2014						
b.	2015						
c.	2016						
d.	Total (a+b+c)						

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2016 were \$311,236,368 for unpaid claims and incentives and \$0 for unpaid claims adjustment expenses. As of December 31, 2017, \$271,265,726 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. There are \$21,730,364 reserves remaining for prior years. Therefore there has been a \$18,240,278 favorable prior year development since December 31, 2016 to December 31, 2017. Original estimates are increased or decreased as additional information becomes know regarding individual claims.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2017	3,729,239	2,321,840	1,152,902	-	-
9/30/2017	-	-	-	-	-
6/30/2017	-	-	-	-	-
3/31/2017	-	-	-	-	-
12/31/2016	2,575,258	2,575,258	658,990	1,759,534	156,734
9/30/2016	-	-	-	-	-
6/30/2016	-	-	-	-	-
3/31/2016	-	-	-	-	-
12/31/2015	2,738,896	2,560,998	1,309,664	1,056,850	194,484

Notes to Financial Statements

9/30/2015	-	-	-	-	-
6/30/2015	-	-	-	-	-
3/31/2015	-	-	-	-	-

B. Risk Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2017	2017	\$ -	\$ 24,875,544	\$ -	\$ 24,875,544	\$ -	\$ -	\$ -	
	2018	XXX	\$ -	XXX	XXX	XXX	XXX	\$ -	\$ -
2016	2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	2017	XXX	\$ -	XXX	XXX	XXX	XXX	XXX	XXX
2015	2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	2016	XXX	\$ -	XXX	XXX	XXX	XXX	XXX	XXX

29. Participating Policies

None

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$ 0
2. Date of the most recent evaluation of this liability	12/31/2017
3. Was anticipated investment income utilized in the calculation? (Yes / No)	No

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2014
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2014
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/31/2016
- 3.4 By what department or departments?
State of Michigan DIFS
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes[] No[X]
Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes[] No[X]
Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
7.21 State the percentage of foreign control
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

0.000%

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Plante & Moran, PLLC 27400 Northwestern Hwy, Southfield, MI 48034
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Brad Piper, Milliman USA 15800 Bluemound Rd. Suite 400 Brookfield, WI 53005-6069; Actuary/consultant with an actuarial firm

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value

\$.....0
- 12.2 If yes, provide explanation

\$.....0
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

Yes[] No[] N/A[X]
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$.....0
- 20.12 To stockholders not officers

\$.....0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$.....0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$.....0
- 20.22 To stockholders not officers

\$.....0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$.....0
- 21.22 Borrowed from others

\$.....0
- 21.23 Leased from others

\$.....0
- 21.24 Other

\$.....0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$.....0
- 22.22 Amount paid as expenses

\$.....0
- 22.23 Other amounts paid

\$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$.....0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$.....0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[] No[] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
134261	RSW Investments	n/a	SEC	NO
110297	Madison Scottsdale	n/a	SEC	NO
19616	Wells Fargo Advisors	88KRVSOEKUGQZI3DKW55 ..	SEC	NO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

29.2 If yes, complete the following schedule:

Yes[X] No[]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
..... 09251T509	BLACKROCK:GL ALLOC;I .....	..... 1,050,376
..... 24610C857	DELAWARE VALUE;INST .....	..... 1,445,720
..... 277902474	EATON VANCE RB AA STR;I .....	..... 1,531,781
..... 30254T759	FPA CRESCENT .....	..... 1,507,922
..... 314172412	FEDERATED KAUF LC;INST .....	..... 1,427,960
..... 32008F606	FIRST EAGLE:GLOBAL;I .....	..... 1,536,363
..... 413838756	OAKMARK GLOBAL SEL;ADV .....	..... 1,784,635
..... 464289859	ISHARES:CORE AGGR ALLOC .....	..... 1,422,163
..... 47804M878	J HANCOCK II:G AB RT;I .....	..... 864,265
..... 74253Q747	PRINCIPAL:MIDCAP;INST .....	..... 1,128,539
..... 743969685	PRU JENN GLOBAL OPPS;Z .....	..... 1,939,219
..... 92913R566	VOYA:SMALL CO;I .....	..... 551,830
..... 94987W737	WELLSFARGO:ABS RET;INST .....	..... 1,031,063
29.2999 Total .....	.....	..... 17,221,836

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
BLACKROCK:GL ALLOC;I	US Treasury Note 2.125% .....	..... 52,414	..... 12/31/2017 ..
DELAWARE VALUE;INST	Lowe's Companies Inc. ....	..... 46,841	..... 12/31/2017 ..
EATON VANCE RB AA STR;I	iShares 0-5 Year High Yield Corp B .....	..... 127,444	..... 12/31/2017 ..
FPA CRESCENT	Naspers Ltd Class N .....	..... 69,666	..... 12/31/2017 ..
FEDERATED KAUF LC;INST	Broadcom Ltd .....	..... 48,265	..... 12/31/2017 ..
FIRST EAGLE:GLOBAL;I	Gold Commodity In Ounces .....	..... 105,395	..... 12/31/2017 ..
OAKMARK GLOBAL SEL;ADV	Daimler AG .....	..... 141,165	..... 12/31/2017 ..
ISHARES:CORE AGGR ALLOC	iShares Core S&P 500 ETF .....	..... 524,920	..... 12/31/2017 ..
J HANCOCK II:G AB RT;I	Long Gilt Fut Mar18 .....	..... 148,135	..... 12/31/2017 ..
PRINCIPAL:MIDCAP;INST	Brookfield Asset Management Inc Cl .....	..... 54,170	..... 12/31/2017 ..
PRU JENN GLOBAL OPPS;Z	Tencent Holdings Ltd .....	..... 117,905	..... 12/31/2017 ..
VOYA:SMALL CO;I	iShares Russell 2000 ETF .....	..... 13,244	..... 12/31/2017 ..
WELLSFARGO:ABS RET;INST	GMO Implementation .....	..... 835,161	..... 12/31/2017 ..

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	..... 179,955,252	..... 179,664,117	..... (291,135)
30.2 Preferred stocks .....	.....	.....	.....
30.3 Totals .....	..... 179,955,252	..... 179,664,117	..... (291,135)

30.4 Describe the sources or methods utilized in determining the fair values:
Month end market analysis/valuation

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

Yes[X] No[]

Yes[X] No[] N/A[]

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

32.2 If no, list exceptions:

33. By self-designation 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:

33.1 Documentation necessary to permit a full credit analysis of the security does not exist.

33.2 Issuer or obligor is current on all contracted interest and principal payments.

33.3 The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Yes[X] No[]

GENERAL INTERROGATORIES (Continued)

Has the reporting-entity self-designated 5*GI securities?

Yes[] No[X]

OTHER

34.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

\$..... 0

1 Name	2 Amount Paid
.....

35.1 Amount of payments for legal expenses, if any?

35.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

\$..... 0

1 Name	2 Amount Paid
.....

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

36.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

\$..... 0

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6 Individual policies - Most current three years:

1.61 TOTAL Premium earned

\$ 0

1.62 TOTAL Incurred claims

\$ 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 TOTAL Premium earned

\$ 0

1.65 TOTAL Incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 TOTAL Premium earned

\$ 0

1.72 TOTAL Incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 TOTAL Premium earned

\$ 0

1.75 TOTAL Incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	2,201,824,040	2,362,733,763
2.2	Premium Denominator	2,201,824,040	2,362,733,763
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	241,841,004	317,673,304
2.5	Reserve Denominator	241,841,004	317,673,304
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 435,000

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Hold harmless provisions, Insolvency coverage under reinsurance policy and State Mandated Trust Fund

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 33,865

8.2 Number of providers at end of reporting year

..... 37,693

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 15,350,776

10.22 Amount actually paid for year bonuses

\$ 12,139,219

10.23 Maximum amount payable withholds

\$ 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[] No[X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Michigan

11.4 If yes, show the amount required.

\$ 136,427,769

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

200% of Authorized Control Level

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Alcona
Allegan
Alpena
Antrim
Arenac
Barry
Bay
Benzie

GENERAL INTERROGATORIES (Continued)

1
Name of Service Area
Berrien
Branch
Calhoun
Cass
Charlevoix
Cheboygan
Clare
Clinton
Crawford
Eaton
Emmet
Genesee
Gladwin
Grand Traverse
Gratiot
Hillsdale
Huron
Ingham
Ionia
Iosco
Isabella
Jackson
Kalamazoo
Kalkaska
Kent
Lake
Lapeer
Leelanau
Lenawee
Livingston
Macomb
Manistee
Mason
Mecosta
Midland
Missaukee
Monroe
Montcalm
Montmorency
Muskegon
Newaygo
Oakland
Oceana
Ogemaw
Osceola
Oscoda
Otsego
Ottawa
Presque Isle
Roscommon
Saginaw
Sanilac
Shiawassee
St. Clair
St. Joseph
Tuscola
Van Buren
Washtenaw
Wayne
Wexford

13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$..... 0

13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$..... 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers?

Yes[] No[] N/A[X]

14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other
.....

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)

15.1 Direct Premium Written

\$..... 0

15.2 Total incurred claims

\$..... 0

15.2 Number of covered lives

..... 0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE-YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	451,780,518	537,364,000	477,647,078	324,504,653	210,488,595
2. TOTAL Liabilities (Page 3, Line 24)	265,006,362	352,023,568	324,211,138	217,105,169	121,865,095
3. Statutory minimum capital and surplus requirement	136,427,769	139,768,916	121,286,809	82,375,390	62,537,336
4. TOTAL Capital and Surplus (Page 3, Line 33)	186,774,156	185,340,432	153,435,940	107,399,484	88,623,500
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	2,201,843,264	2,420,839,900	2,113,238,730	1,443,317,837	1,058,587,125
6. TOTAL Medical and Hospital Expenses (Line 18)	1,982,312,551	2,029,293,535	1,753,322,278	1,205,558,123	935,980,082
7. Claims adjustment expenses (Line 20)	36,154,036	7,804,708	8,438,081	4,399,240	3,782,746
8. TOTAL Administrative Expenses (Line 21)	184,332,954	359,759,848	328,865,346	222,736,161	111,871,077
9. Net underwriting gain (loss) (Line 24)	(956,277)	23,981,809	22,613,025	11,580,313	6,470,220
10. Net investment gain (loss) (Line 27)	2,884,480	1,954,424	1,418,835	1,748,065	1,453,495
11. TOTAL Other Income (Lines 28 plus 29)		38,526	184,201	217,082	82,652
12. Net income or (loss) (Line 32)	546,074	3,870,927	6,828,168	3,391,695	5,694,856
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(64,087,391)	(7,811,893)	66,979,171	63,785,740	23,323,532
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	186,774,156	185,340,432	153,435,940	107,399,484	88,623,500
15. Authorized control level risk-based capital	68,213,885	69,884,458	60,643,405	41,187,695	31,268,496
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	517,338	504,832	455,299	379,347	296,655
17. TOTAL Members Months (Column 6, Line 7)	6,238,166	5,869,051	5,153,310	4,259,158	3,541,544
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	90.0	85.9	84.7	85.0	88.4
20. Cost containment expenses	1.2	0.0			
21. Other claims adjustment expenses	0.4	0.3	0.4	0.3	0.4
22. TOTAL Underwriting Deductions (Line 23)	100.0	101.4	101.0	100.9	99.4
23. TOTAL Underwriting Gain (Loss) (Line 24)	0.0	1.0	1.1	0.8	0.6
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	289,883,532	290,372,569	199,707,863	113,577,211	96,129,487
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	308,123,809	296,335,905	198,534,685	114,684,987	103,746,899
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	L								
9.	District of Columbia (DC)	L								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	L								
15.	Indiana (IN)	L								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	L								
19.	Louisiana (LA)	N								
20.	Maine (ME)	L								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L	13,201,138	168,710,336	2,021,852,567				2,203,764,041	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	L		495,683					495,683	
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	13,201,138	169,206,019	2,021,852,567				2,204,259,724	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 8	13,201,138	169,206,019	2,021,852,567				2,204,259,724	

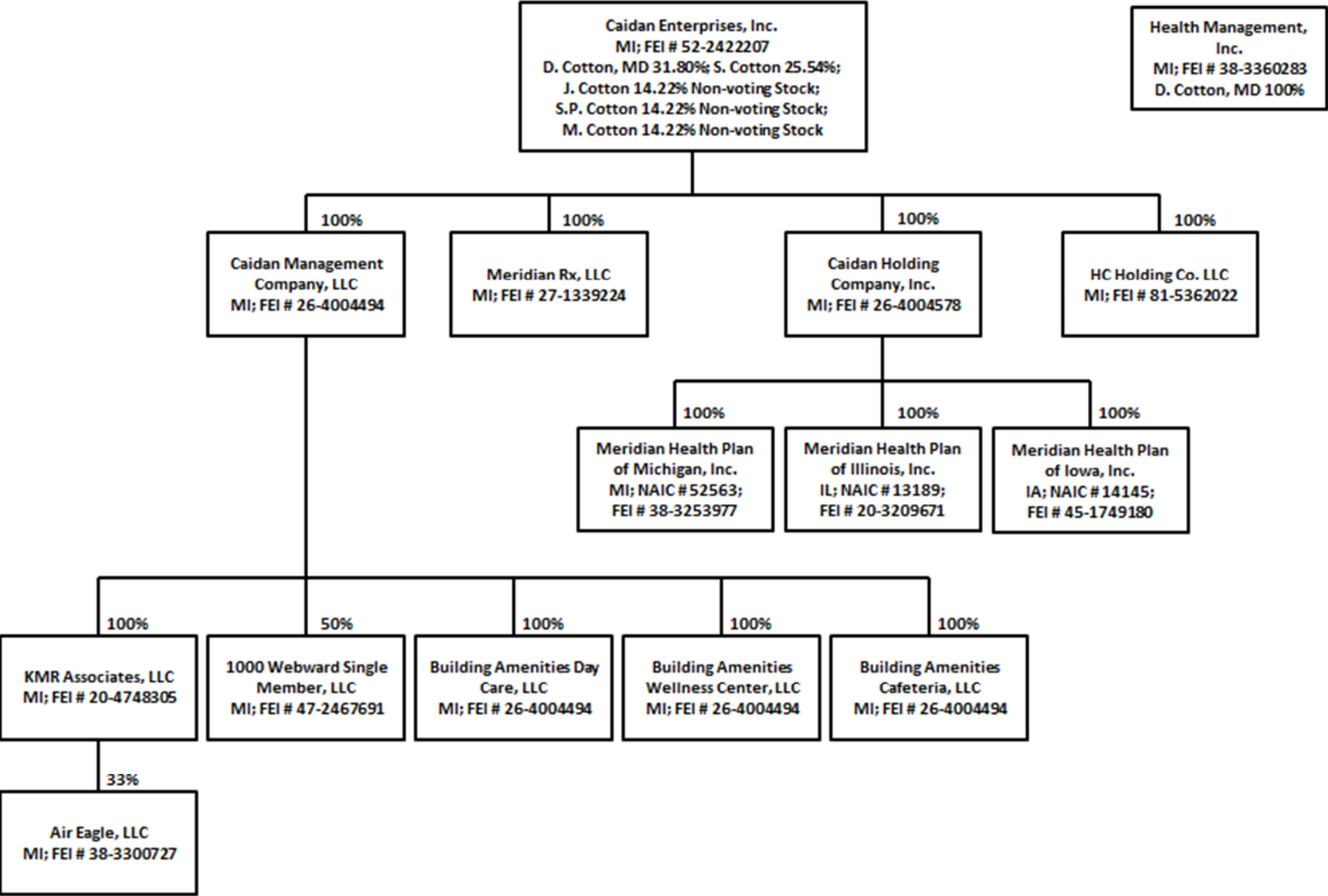
DETAILS OF WRITE-INS										
58001.	X X X									
58002.	X X X									
58003.	X X X									
58998.Summary of remaining write-ins for Line 58 from overflow page	X X X									
58999.TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X									

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation by state, premiums by state, etc.: The Company assigns a specific premium to each member and the state member resides in.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



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